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CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Authorizing the City Manager to Execute an Agreement to Participate in CALNET2 Contract between the State of California and AT&T through December 2010

MEETING DATE: September 17, 2008

PREPARED BY: Information Systems Manager

RECOMMENDED ACTION: Adopt Resolution Authorizing the City Manager to Execute an Agreement to Participate in CALNET2 Contract Between the State of California and AT&T through December 2010.

BACKGROUND INFORMATION: Currently, the City buys certain technology products, such as telephone services, at discounted rates through the State of California contract called CALNET1. This contract will expire on December 3, 2008. A new State contract, called CALNET2, is now available.

All California government agencies may use CALNET2 for procurement of certain products and services. The new CALNET2 contract is for five years, with two possible two-year extensions. Staff is proposing a two-year contract with AT&T, which will reflect CALNET2 pricing.

The City's telecommunications rates will revert to tariff pricing after December 3, 2008 if it does not agree to participate in CALNET2. Tariff rates would mean an annual increase of about \$100,000.

In most cases, prices have been reduced under CALNET2. Accordingly, the City can expect to save about \$2,000 per year under the new CALNET2 pricing.

All current AT&T voice and data services subscribed to by the City shall automatically be included under the new Agreement. The City will also be committed to "exclusivity" with AT&T for the first two years of the contract. That means the City agrees not to purchase any contracted types of services from any other provider for the first two years, after which time the City will be free to select any provider it desires. The City may also decide to continue purchasing services from AT&T at CALNET2 prices after the two year period.

Staff is proposing to include the following services in the new contract, all of which are included in the current contract with AT&T:

- Business Access Lines
- Central Office Trunk Services
- Data Transmission Services
- ISDN (BRI)
- ISDN (PRI)
- Frame Relay & ATM
- Internet

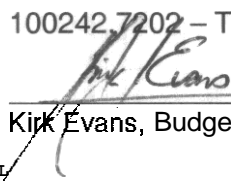
APPROVED: _____

Blair King, City Manager

In summary, staff recommends adoption of a resolution authorizing the City Manager to execute an Agreement to participate in the CALNET2 contract between the State of California and AT&T through December 2010. The City can avoid reverting to tariff pricing for its current AT&T telecommunications services. an increase of about \$100,000 per year, by approving this Agreement before December 3, 2008.

FISCAL IMPACT: The City can anticipate annual savings of about \$2,000 over the current CALNET1 contract and a savings of \$100,000 if telecommunications services are allowed to revert to tariff pricing after December 13, 2008.

FUNDING: 100242,7202 – Telephone Charges



Kirk Evans, Budget Manager

Respectfully Submitted,



Steve Mann
Information Systems Manager

EXHIBIT A-2

AUTHORIZATION TO ORDER UNDER STATE CONTRACT

SBC Global Services, Inc., dba AT&T Global Services on behalf of Pacific Bell Telephone Company, dba AT&T California ("AT&T" or "Contractor") and the State of California ("State") have entered into a Contract for California Integrated Information Network (CALNET) 2 ("CALNET 2") MSA 1 Services dated January 30, 2007 ("Contract"), for a term of five (5) years. The State may, at its sole option, elect to extend the Contract term for up to two (2) additional periods of one (1) year each. Pursuant to the Contract, which is incorporated herein by reference, any public agency, as defined in Government Code section 11541, is allowed to order services and products ("Services") solely as set forth in the Contract.

A non-State public agency (herein "Non-State Agency") shall also be required to complete and submit this Authorization to Order Under State Contract (ATO) prior to ordering Services. A description of the Service(s), applicable rates and charges and the specific terms and conditions under which the Service(s) will be provided to a Non-State Agency are fully set forth in the Contract. Access to the Contract is available at www.stnd.dts.ca.gov.

CITY OF LODI ("Non-State Agency") desires to order Service(s), and Contractor agrees to provide such Service(s), as identified in the State of California, Telecommunications Service Request (STD. 20), pursuant to the terms and conditions and rate tables contained in the Contract.

1. This ATO shall become effective upon execution by Non-State Agency, Contractor, and the Department of Technology Services, Statewide Telecommunications and Network Division (DTS/STND) ("Effective Date"). No Service(s) shall be ordered by Non-State Agency or provided by Contractor until this ATO has been executed by both parties and approved by DTS/STND.
2. With respect to Services ordered under this ATO, as authorized on Attachment 1, Non-State Agency hereby agrees to obtain such Services exclusively through the Contract and this ATO for a two (2) year commitment period, starting with the Effective Date of the ATO, provided that such commitment does not extend beyond the Term of the Contract, including any extension periods. Any new Services added to an existing ATO shall not extend the two (2) year commitment period previously agreed upon on the ATO.
3. Upon expiration of the two (2) year commitment period, this ATO shall continue in effect through the remainder of the Term of the Contract, unless terminated by Non-State Agency. The Non-State Agency will automatically continue to receive Services at Contract terms and conditions when the two year commitment period ends, and may add, delete or change Services without penalty or additional commitment periods (unless a specific Service requires a term per the Contract).
4. Non-State Agency may terminate this ATO, for specific Service(s) or in total, prior to termination of the Contract, by providing the Contractor with thirty (30) calendar days' written notice of cancellation.

If Non-State Agency elects to terminate Service prior to completion of the two (2) year commitment period, a termination charge may apply. The termination charge may not exceed sixty-five percent (65%) of the Non-State Agency's average monthly bill for the disconnected Service(s), multiplied by the number of full months remaining in the two (2) year commitment period. If

Service(s) are terminated after the two (2) year commitment period, no termination liability shall apply.

5. No termination charge will be assessed when Non-State Agency transfers Service(s) to a like Service offered under this Contract, or from one CALNET 2 MSA to another, if the Contractor is the same for both MSAs, or is affiliated with the Contractor for the other MSA.
6. By executing this ATO, Non-State Agency agrees to subscribe to, and Contractor agrees to provide Service(s), in accordance with the terms and conditions of this ATO and the Contract. Upon execution of this ATO by Non-State Agency and Contractor, Contractor shall deliver this ATO to DTS/STND for review and approval.
7. The DTS/STND will provide Contract management and oversight, and upon request by the Non-State Agency or Contractor, will advocate to resolve any Contract service issues. The ATO, and any resulting STD. 20, is a Contract between the Non-State Agency and the Contractor. The State will not represent the Non-State Agency in resolution of litigated disputes between the parties.
8. Non-State Agency, upon execution of this ATO, certifies that Non-State Agency understands that Contractor and the State may, from time to time and without Non-State Agency's consent, amend the terms and conditions of the Contract thereby affecting the terms of service Non-State Agency receives from Contractor.
9. Non-State Agency, upon execution of this ATO, certifies that it has reviewed the terms and conditions, including the rates and charges, of the Contract.
10. Non-State Agency, upon execution of this ATO, certifies the Non-State Agency understands that billing invoices for Service(s) subscribed to under the Contract are subject to review and/or audit by the State, pursuant to provisions of the Contract.
11. All Service(s) ordered under this ATO will be submitted using the STD. 20, signed by the Non-State Agency's authorized signatory. Any additions or deletions to Service(s) shall likewise be accomplished by submission of a STD. 20, noting changes.
12. Non-State Agency may, by placing Service orders issued by its duly authorized representative with Contractor, order any of the Service(s) listed in the Contract. Contractor shall bill Non-State Agency, and Non-State Agency shall pay Contractor according to the terms and conditions and rate tables set forth in the Contract for such Service(s).
13. If, for any fiscal year during the term of this ATO, funds are not appropriated to enable the Non-State Agency to continue paying for services, or universal service discounts are not received, the Non-State Agency may terminate impacted Service(s) without penalty.
14. Whenever any notice or demand is given under this Contract to Contractor or Non-State Agency, the notice shall be in writing and addressed to the following:

Non-State Agency:

CITY OF LODI

P. O. BOX 3006

LODI, CA 95241

Attn: STEVE MANN

Contractor:

AT&T

610 Sequoia Pacific Blvd.

Sacramento, CA 95814

Attn: Contract Program Manager

Notices delivered by overnight courier service shall be deemed delivered on the day following mailing. Notices mailed by U.S. Mail, postage prepaid, registered or certified with return receipt requested, shall be deemed delivered five (5) State business days after mailing. Notices delivered by any other method shall be deemed given upon receipt.

IN WITNESS WHEREOF, the parties hereto have caused this ATO to be executed on the date shown below by their respective duly authorized representatives:

CONTRACTOR	NON-STATE AGENCY
By: Authorized Signature	By: Authorized Signature
Printed Name and Title of Person Signing	Printed Name and Title of Person Signing
Date Signed:	Date Signed

Approved By:
Department of Technology Services.
Statewide Telecommunications and Network Division

By: Authorized Signature
Printed Name and Title of Person Signing
Date Signed:

Approved as to form

City Attorney

Selected Services	Voice Services - Core Services Products	Customer Initials
<input checked="" type="checkbox"/>	Bus Access Lines	x
<input type="checkbox"/>	Central Office Exchange Basic Services (Centrex)	
<input checked="" type="checkbox"/>	Central Office Trunk Services (SuperTrunWPBWDID)	x
<input type="checkbox"/>	Locally Based Automatic Call Distribution (ACD) (Available Option w/C2 Centrex)	
<input type="checkbox"/>	Interactive Voice Response (IVR)	
<input type="checkbox"/>	Specialized Call Routing (Call Router)	
<input type="checkbox"/>	Computer Telephone Integration (CTI) (Compucall)	
<input type="checkbox"/>	Voice Mail Services (Available Option w/C2 Exchange Svcs)	
Selected Services	Data Services - Core Services Products	Customer Initials
<input checked="" type="checkbox"/>	Data Transmission Services (Analog Service, Carrier DSO (ADN), Carrier DS1 (Hicap/T1), Carrier DS3)	x
Custom ATO Required	Gigabit Ethernet Metropolitan Area Network (MAN) (GigaMAN, MON, OPT-E-MAN, CSME, EPLS-WAN, ESS-MAN)	Custom ATO Required
<input type="checkbox"/>	Multi Protocol Label Switching (MPLS) (AVPN, Network Based Firewall, ANIRA)	
Custom ATO Required	Synchronous Optical Network (SONET) (Point-Point SONET, Ethernet-over SONET, SONET Ring ICB)	Custom ATO Required
<input checked="" type="checkbox"/>	ISDN (BRI)	
<input checked="" type="checkbox"/>	ISDN (PRI) (PBX/DID)	x
<input type="checkbox"/>	Switched 56/ Switched Digital Services (SDS)	
<input checked="" type="checkbox"/>	Frame Relay & ATM (Managed or Non Managed)	x
<input type="checkbox"/>	Internet	
<input type="checkbox"/>	DSL Agency Hosted (DSL)	
<input type="checkbox"/>	DSL DSL Virtual Private Network (AVPN, Network Based Firewall, ANIRA)	
n	Enhanced Centrex VDNA	
Included Services	Other Services - Core Services Products	Automatic Coverage
	IntraLata Calling (Local Usage Zone 1 - 3) (Included on C2 Exchange Services)	
	Bldg. Wiring Services (Automatic Service Coverage on C2 Svcs) Jacks/Wiring Inside Wire Repair Plan (Voice) (If subscribed to) Inside Wire Repair Plan (Data) (If subscribed to)	

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE
CITY MANAGER TO EXECUTE AGREEMENT TO PARTICIPATE IN
CALNETZ CONTRACT BETWEEN THE STATE OF CALIFORNIA AND
AT&T THROUGH DECEMBER 2010

WHEREAS, the City buys certain technology products, such as telephone services, at discounted rates through the State of California contract called CALNETI, which will expire on December 3, 2008; and

WHEREAS, a new State contract called CALNETZ is now available for use by all California government agencies for procurement of certain products and services; and

WHEREAS, the term of the new CALNETZ contract is five years, with two possible two-year extensions; and

WHEREAS, staff is proposing a two-year contract with AT&T, which will reflect CALNETZ pricing; and

WHEREAS, all current AT&T voice and data services subscribed to by the City shall automatically be included under the new Agreement. The City will also be committed to "exclusivity" with AT&T for the first two years of the contract, which means the City agrees not to purchase any contracted types of services from any other provider for the first two years, after which time the City will be free to select any provider it desires. The City may also decide to continue purchasing services from AT&T at CALNETZ prices after the two-year period; and

WHEREAS, staff is proposing to include the following services in the new contract, all of which are included in the current contract with AT&T:

- | | |
|----------------------------------|----------------------|
| 1) Business Access Lines | 5) ISDN (PRI) |
| 2) Central Office Trunk Services | 6) Frame Relay & ATM |
| 3) Data Transmission Services | 7) Internet |
| 4) ISDN (BRI) | |

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute Agreement to participate in the CALNETZ contract between the State of California and AT&T through December 2010, which may include two possible two-year extensions.

Dated: September 17, 2008


I hereby certify that Resolution No. 2008-186 was passed and adopted by the City Council of the City of Lodi in a regular meeting held September 17, 2008, by the following vote:

AYES: COUNCIL MEMBERS - Hansen, Hitchcock, Johnson, Katzakian, and
Mayor Mounce

NOES: COUNCIL MEMBERS - None

ABSENT: COUNCIL MEMBERS - None

ABSTAIN: COUNCIL MEMBERS - None


RANDI JOHL
City Clerk